

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1138

March 3, 2009

SUMMARY OF BILL: Requires the Department of Safety to send certain driver's license suspension notices by electronic certified mail with electronic return receipt. Increases from \$35 to \$45 the restoration fee for non-moving violations, except driver's license and registration offenses. Increases from \$65 to \$75 the fee required for reinstating a suspended driver's license.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$1,000,000/Recurring

**Increase State Expenditures - \$169,400/One-Time
\$804,600/Recurring**

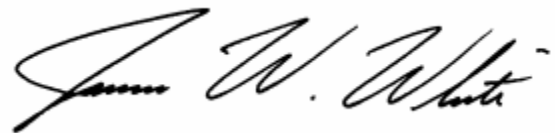
Assumptions:

- According to the Department of Safety (DOS), approximately 200,000 notices would need to be sent by electronic certified mail with electronic return receipt each year.
- The cost of sending such notices is estimated to be \$3.70 per notice.
- According to DOS, the \$3.70 rate assumes the Department contracts with an outside vendor for services that will allow the department to electronically prepare certified mail, to barcode suspension notices for electronic tracking, and to identify returned notices. The one-time increase of state expenditures for contracting with a vendor is estimated to be \$150,000.
- According to DOS, the cost of sending such notices would increase to approximately \$4.90 per notice if the department requests the postal service to perform all of these functions. The additional \$1.20 per notice ($\$4.90 - \$3.70 = \1.20) would result in an increase to recurring state expenditures of \$240,000 per year ($200,000 \times \$1.20 = \$240,000$) and would thus be cost prohibitive compared to the alternative.
- The increase to recurring state expenditures for sending proper notice is estimated to be \$740,000 per year ($200,000 \times \$3.70 = \$740,000$).

- According to DOS, the Department would require two additional clerk positions for monitoring certified mailings and handling return receipts.
- The increase to recurring state expenditures for the two additional positions is estimated to be \$64,600 per year (\$41,200 salary, \$18,500 benefits, \$4,900 other).
- The total increase to recurring state expenditures is estimated to be \$804,600 per year (\$740,000 + \$64,600 = \$804,600).
- Additional one-time state expenditures related to the two additional positions estimated to be \$9,400 (computers, software, office space, communications, etc.).
- Additional one-time state expenditures for computer and software modifications to other DOS systems estimated to be \$10,000.
- The total increase of one-time state expenditures is estimated to be \$169,400 (\$150,000 + \$9,400 + \$10,000 = \$169,400).
- According to DOS, the fee increases as proposed will impact approximately 100,000 driver's license restorations each year. As a result, the increase to state revenue is estimated to be \$1,000,000 per year (100,000 x \$10 increase = \$1,000,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc